

Comments of the Offshore Operators Committee re: ANPR 30 CFR 285 RIN 1010-AD30
Alternate Energy Related Uses of the Outer Continental Shelf

The Offshore Operators Committee strongly supports the development of the OCS as an energy source for the United States of America utilizing criteria, which give the best use of the OCS to the citizens of the US as a whole. This energy source includes both traditional oil and gas production and “alternate energy sources” such as wind, wave, current, solar, thermal. This “best use” is a careful balancing of the needs of local fishing, shipping, oil and gas production, and energy needs of the entire country. This “best use” should also account for the long-term affects of such development.

- The proposed rule should be specific that it applies to domestically-produced alternate energy sources.
- The proposed rule should specify that the storage or transportation of foreign-produced energy is not subject to the rule except those portions that are not covered by existing legislation as defined in Sec. 388.
- The proposed rule for alternate energy needs to take into account the significance of existing stakeholders and investments in GOM. The proposed rule should not discourage or impair existing oil and gas exploration and development on the OCS. Great care should be taken to insure that the rule does not further discourage the consideration of oil and gas exploration on areas of the OCS where such activity is currently prohibited. Such assessment should be part of the analysis of the applicant in support of the proposed alternative energy project.
- The proposed rule should recognize the value of leveraging existing oil and gas infrastructure for alternative energy development. Incentives to oil and gas producers should be considered to encourage multiple use of existing oil and gas infrastructure for alternative energy development. Oil and gas producers should be encouraged through incentives to prototype new technologies for possible scaling up in the future and / or provide platform space for alternative energy development.
- The proposed rule must allow for the shedding of liability by an oil and gas producer if an alternative use of existing infrastructure is found with a third party., for purposes other than oil and gas exploration and development.
- The proposed rule should look very similar to 30 CFR 250, in that the existing rules for oil and gas exploration and development have been in place for a long time and their effectiveness has been tested. Additionally, these regulations address the complete life cycle of the proposed activity

In response to specific questions posed in the Program Area: Access to OCS Lands and Resources, the following is given.

I. Allow Concurrent Developments. Bidders for areas that only require surface easements or ROW should not include subsurface rights. Additionally, surface lease, easement, or ROW seekers should show that the proposed structures will not preclude subsurface development if subsurface minerals are subsequently discovered or provide a geologic survey showing that no minerals exist in the area that is precluded by the surface development.

J. Minimize Multi-use conflicts. Since mineral recovery is ultimately dependant on the location of minerals within the earth's crust, preferential consideration should be given to the recovery of such minerals when compared to an OCS use which is less dependant on its position on the earth's surface.

2. Access restrictions should be applied where there is a requirement for installation of equipment that poses a hazard to navigation, interference with the operation of existing facilities or safety of existing infrastructure.

3. Fair return must evaluate the ability to return to the United States either money, or capital inventory, or a combination of these not previously realized by the United States minus that money, capital, or combination which would be reduced by the project.

4. Although a geographical area of interest depends strongly on who is interested, the current lease block system for mineral rights is an acceptable way of dividing the GOM into saleable sections for alternative energy development.

5. Assessments should be made to show that no extractable minerals exist in areas where exclusive rights would be granted to leaseholders, which would preclude the development of such minerals if they were discovered in the future.

10. Use similar approach as oil and gas exploration.

11. Timing, multiple use conflicts, net benefit to the United States, feasibility, and chances of success should be considered in deciding whether or not to approve a project.